

OGC HAS REVIEWED.

22 March 1955

MEMORANDUM FOR: Chief, Travel Section, Finance Division

SUBJECT : Validity of Certain Allowances for Shipment
and Storage of Household and Personal Effects

REFERENCE : Your Memorandum, Same Subject, Dated 12 January 1955

1. In your memorandum, you requested the opinion of this office as to whether the Agency should stand the costs of certain shipping and storage transactions, the circumstances of which were detailed in three hypothetical situations designated Case 1, Case 2 and Case 3.

2. Cases 1 and 2 may be considered together as they pose the common question of whether the Agency may pay the expenses incident to the transportation to a storage point within the United States of so much of the effects of an employee about to be transferred overseas as he elects not to take with him to the overseas post of assignment when the total weight of effects desired to be taken and effects desired to be stored in the United States is within the appropriate weight allowance. In this general connection, you directed our attention to 23 Comp. Gen. 886 (1944) and 23 Comp. Gen. 970 (1944); and you stated that claims for transportation in these circumstances had been submitted on the theory that the cost to the government was less than it would have been had all of the effects been shipped to the overseas post.

3. We have reviewed the cited decisions, and others related to them, and are of the opinion that they are not applicable to the circumstances presented in your Cases 1 and 2. This for the reason that since the dates of these decisions, the President has issued Executive Order 9850, dated 25 November 1946, as amended; and we deem certain provisions of that Executive Order, and its amendments, to be more pertinent to the problem presented. Section 8 of Executive Order 10196, dated 20 December 1950, which amends section 8 of Executive Order 9850, provides as follows:

Origin and Destination of Shipment

"The expenses of transportation authorized hereunder or reimbursement on a commuted basis within the continental United States shall be allowable whether the shipment originates at the employee's last official station or at some other point or partially at both or whether the point of destination is the new official station or some other point selected by him, or both: Provided, That the cost to the Government shall not exceed the cost of shipment in one lot by the most economical route from the last official station to the new. No expenses shall be allowable for the transportation of property acquired

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en route from the last official station to the new. For the purposes of these regulations, the term "official station" shall be construed to include any point from which the employee commutes daily to his official post of duty." (Regimeis supplied)

You will observe that the expenses cited in this section are authorized whether the shipment of effects originates at the last official station, some other point, or a portion at both, and whether the destination of such shipment is the new station, some other point selected by the employee, or both. This broad language is limited only by the proviso that the cost of the shipment in any one, or a combination, of these circumstances be no greater than the cost of a total allowable shipment in one lot by the most economical route from the last official station to the new. We interpret this language to mean that the government may stand the expenses of whatever shipments of his effects an employee wishes to make incident to a permanent change of station so long as the cost of such shipments is not in excess of the most economical direct-route shipment of the maximum allowance of his effects to the new official station. These expenses would include those incident to the cartage of the effects from the place of residence to the place of storage, both apparently being in the same city which are cited in your Case number 2. In this instance, we look upon the cartage involved as equivalent to shipment to a place of storage, the difference between this case and that of a portion of the effects being shipped to another city for storage being one of degree only. However, no storage at government expense being authorized in either instance, we think that expenses solely for the purpose of readying the effects for storage and putting them into storage are not allowable.

4. The authority conferred by section 8 of Executive Order 9850, as amended, also is inferable from section 154.64 of the Foreign Service Travel Regulations. This section provides that:

"When an employee arranges for shipment of his household or personal effects between points other than those specified in the travel order, at greater expense, collection should be made from the employee in the amount which exceeds the cost which would have been incurred by direct transportation between the points authorized."

It will be observed that this regulation puts no prohibition on the shipment of effects between points other than those of new and old posts of assignment as such. Rather it limits the amount of expense for which the government will be liable to that which would be incident to the "... direct transportation (of the effects) between the points authorized."

5. Finally, we know of no absolute prohibition against the type of movements posed; and we do not know of any instance in which the financial responsibility of the government in such an instance has been denied, except of course, where the total expense and weight of the effects concerned have been in excess of the expense of the most economical direct-route shipment and of the appropriate weight allowance respectively.

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6. Your Case number 3 raises the question of whether or not an employee being transferred on permanent change of station from without the continental United States to within the continental United States may ship within the United States certain of his effects which have been stored from the place of storage to the new station providing such effects are within the maximum over-all weight allowance. You query also whether, assuming such shipment can be made, it should be governed by the regulations pertaining to shipments from without the continental United States or to shipments wholly within the continental United States. As to your first question we feel it to be answered in part by the quoted portion of section 8 of Executive Order 9850, as amended. It is there provided that the effects may be shipped at government expense "whether the shipment originates at the employee's last official station or at some other point or partially at both", again subject to the limitation that the total amount of effects shipped and the cost of the shipment, including effects coming from the last official station and those coming from some other point, do not exceed the cost of the shipment of the maximum allowance of effects by the most economical direct-route from the old station to the new. As to whether the regulations pertaining to overseas shipments should apply, or those pertaining to domestic shipments, we are of the opinion that the latter should be observed for the reason that the shipment of those effects not being sent from overseas takes place within the continental limits of the United States.

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